

Executive Summary – Enforcement Matter – Case No. 49451

JSW Steel (USA) Inc.

RN100217421

Docket No. 2014-1488-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

JSW Steel USA Plate Division, 5200 East McKinney Road, Baytown, Chambers County

Type of Operation:

Steel finishing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: February 20, 2015

Comments Received: No

Penalty Information

Total Penalty Assessed: \$8,925

Amount Deferred for Expedited Settlement: \$1,785

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$3,570

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$3,570

Name of SEP: Barber's Hill Independent School District (Third-Party Pre-Approved)

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

Executive Summary – Enforcement Matter – Case No. 49451
JSW Steel (USA) Inc.
RN100217421
Docket No. 2014-1488-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: July 8, 2014 through August 18, 2014

Date(s) of NOE(s): August 27, 2014

Violation Information

Failed to comply with permitted concentration limits. Specifically, the Continuous Reheat Furnace No. 1, Emissions Point Number ("EPN") FURNSTK1, exceeded the carbon monoxide ("CO") hourly concentration limit of 50 parts per million by volume ("ppmv") on August 2 and November 18, 2013 for a total of two hours; and the Continuous Reheat Furnace No. 2, EPN FURNSTK2, exceeded the CO hourly concentration limit of 50 ppmv on April 11, July 23, and November 5, 2013 for a total of 20 hours [30 TEX. ADMIN. CODE §§ 116.115(c), 117.310(c)(1)(A), and 122.143(4), Federal Operating Permit No. O1832, Special Terms and Conditions Nos. 1.A. and 7, New Source Review Permit No. 77214, Special Conditions No. 3, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

1. The Order will require the Respondent to implement and complete a Supplemental Environmental Project ("SEP"). (See SEP Attachment A)
2. The Order will also require the Respondent to:
 - a. Within 30 days, submit an administratively complete permit amendment or permit alteration;
 - b. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit amendment or permit alteration within 30 days after the date of such requests, or by any other deadline specified in writing;
 - c. Within 45 days, submit written certification demonstrating compliance with Ordering Provision a.; and
 - d. Within 180 days, submit written certification that either the permit amendment or permit alteration has been obtained or that operation has ceased until such time that the appropriate permit amendment or permit alteration is obtained.

Executive Summary – Enforcement Matter – Case No. 49451
JSW Steel (USA) Inc.
RN100217421
Docket No. 2014-1488-AIR-E

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: David Carney, Enforcement Division,
Enforcement Team 5, MC 149, (512) 239-2583; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456
TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division,
MC 219, (512) 239-3565
Respondent: Michael J. Fitch, President/Chief Executive Officer, JSW Steel (USA)
Inc., 5200 East McKinney Road, Baytown, Texas 77523
Respondent's Attorney: Christopher Smith, Partner, Thompson & Knight LLP, 98
San Jacinto Boulevard, Suite 1900, Austin, Texas 78701

Attachment A
Docket Number: 2014-1488-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	JSW Steel (USA) Inc.
Penalty Amount:	Seven Thousand One Hundred Forty Dollars (\$7,140)
SEP Offset Amount:	Three Thousand Five Hundred Seventy Dollars (\$3,570)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Barber's Hill Independent School District
Project Name:	<i>Alternative Fuel School Bus Replacement</i>
Location of SEP:	Chambers County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to **Barber's Hill Independent School District** ("Barber's Hill ISD") for the *Alternative Fuel School Bus Replacement* program. The contribution will be used in accordance with the SEP Agreement between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount shall be used to reduce carbon monoxide ("CO"), nitrogen oxides ("NO_x"), particulate matter ("PM"), and volatile organic compounds ("VOCs") emissions by replacing older school buses with new propane-fueled buses. The Third-Party Administrator shall ensure that each replacement bus purchased has an engine that meets 2010 EPA Standards. The Third-Party Administrator has invested in propane fueling infrastructure to support the operation of new propane-fueled buses. The Third-Party Administrator shall give preference to replacing the oldest, most polluting buses currently in use. Only older buses that are currently in regular use, driven on a regular route on a weekly basis for at least the past two years are eligible for replacement. The SEP Offset Amount will only be used for the purchase of a base model propane-fueled Replacement Bus. The Third-Party Administrator shall own and operate each Replacement Bus for at least five (5) years following the date of purchase. The SEP will be performed in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used for the direct cost of implementing the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not able to be spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a new 2010 ultra-low emission model, passengers' exposures to NO_x may be reduced by 98 percent; VOCs by 93 percent; CO by 83 percent; and PM by 99 percent.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Barber's Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

John Johnson, Consultant
Carl R. Griffith & Associates, Inc.
2901 Turtle Creek Drive, Suite 445
Port Arthur, Texas 77642

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

JSW Steel (USA) Inc.
Agreed Order - Attachment A

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

JSW Steel (USA) Inc.
Agreed Order - Attachment A

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ
DATES

Assigned
PCW

2-Sep-2014
11-Dec-2014

Screening

7-Oct-2014

EPA Due

RESPONDENT/FACILITY INFORMATION

Respondent JSW Steel (USA) Inc.

Reg. Ent. Ref. No. RN100217421

Facility/Site Region 12-Houston

Major/Minor Source Major

CASE INFORMATION

Enf./Case ID No. 49451

Docket No. 2014-1488-AIR-E

Media Program(s) Air

Multi-Media

No. of Violations 1

Order Type 1660

Government/Non-Profit No

Enf. Coordinator David Carney

EC's Team Enforcement Team 5

Admin. Penalty \$ Limit Minimum \$0

Maximum \$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)

Subtotal 1 \$8,750

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History

2.0%

Enhancement

Subtotals 2, 3, & 7 \$175

Notes

Enhancement for one NOV with dissimilar violations.

Culpability

No

0.0%

Enhancement

Subtotal 4 \$0

Notes

The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments

Subtotal 5 \$0

Economic Benefit

Total EB Amounts \$623

Estimated Cost of Compliance \$5,000

0.0% Enhancement*

*Capped at the Total EB \$ Amount

Subtotal 6 \$0

SUM OF SUBTOTALS 1-7

Final Subtotal \$8,925

OTHER FACTORS AS JUSTICE MAY REQUIRE

0.0%

Adjustment \$0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount \$8,925

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty \$8,925

DEFERRAL

20.0%

Reduction

Adjustment -\$1,785

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY

\$7,140

Screening Date 7-Oct-2014

Docket No. 2014-1488-AIR-E

PCW

Respondent JSW Steel (USA) Inc.

Policy Revision 4 (April 2014)

Case ID No. 49451

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100217421

Media [Statute] Air

Enf. Coordinator David Carney

Compliance History Worksheet>> **Compliance History Site Enhancement (Subtotal 2)**

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%

Please Enter Yes or No

Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 2%>> **Repeat Violator (Subtotal 3)**

No

Adjustment Percentage (Subtotal 3) 0%>> **Compliance History Person Classification (Subtotal 7)**

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%>> **Compliance History Summary**Compliance
History
Notes

Enhancement for one NOV with dissimilar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 2%>> **Final Compliance History Adjustment****Final Adjustment Percentage *capped at 100%** 2%

Screening Date 7-Oct-2014

Docket No. 2014-1488-AIR-E

PCW

Respondent JSW Steel (USA) Inc.

Policy Revision 4 (April 2014)

Case ID No. 49451

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN100217421

Media [Statute] Air

Enf. Coordinator David Carney

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c), 117.310(c)(1)(A), and 122.143(4), Federal Operating Permit No. O1832, Special Terms and Conditions Nos. 1.A. and 7, New Source Review Permit No. 77214, Special Conditions No. 3, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to comply with permitted concentration limits. Specifically, the Continuous Reheat Furnace No. 1, Emissions Point Number ("EPN") FURNSTK1, exceeded the carbon monoxide ("CO") hourly concentration limit of 50 parts per million by volume ("ppmv") on August 2 and November 18, 2013 for a total of two hours; and the Continuous Reheat Furnace No. 2, EPN FURNSTK2, exceeded the CO hourly concentration limit of 50 ppmv on April 11, July 23, and November 5, 2013 for a total of 20 hours.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

	Harm		
Release	Major	Moderate	Minor
Actual			
Potential			X

Percent 7.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment will or could be exposed to insignificant amounts of pollutants that would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$23,250

\$1,750

Violation Events

Number of Violation Events 5

5 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	X

Violation Base Penalty \$8,750

Five single events are recommended for the five instances of non-compliance.

Good Faith Efforts to Comply

0.0%

Reduction \$0

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$8,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$623

Violation Final Penalty Total \$8,925

This violation Final Assessed Penalty (adjusted for limits) \$8,925

Economic Benefit Worksheet

Respondent JSW Steel (USA) Inc.
 Case ID No. 49451
 Reg. Ent. Reference No. RN100217421
 Media Air
 Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	11-Apr-2013	7-Oct-2015	2.49	\$623	n/a	\$623

Notes for DELAYED costs

Estimated cost to submit a permit amendment or permit alteration. The Date Required is the initial date of non-compliance and the Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$623



Compliance History Report

PENDING Compliance History Report for CN603269366, RN100217421, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent, or Owner/Operator: CN603269366, JSW Steel (USA) Inc.

Classification: SATISFACTORY

Rating: 0.36

Regulated Entity: RN100217421, JSW Steel USA Plate Division

Classification: SATISFACTORY

Rating: 0.36

Complexity Points: 18

Repeat Violator: NO

CH Group: 14 - Other

Location: 5200 EAST MCKINNEY ROAD, BAYTOWN, TEXAS 77523-8291, CHAMBERS COUNTY

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER CI0170H

INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXR000034637

WASTEWATER PERMIT WQ0001332000

AIR NEW SOURCE PERMITS REGISTRATION 42537

AIR NEW SOURCE PERMITS AFS NUM 4807100085

AIR NEW SOURCE PERMITS PERMIT 77214

AIR NEW SOURCE PERMITS REGISTRATION 117147

WASTEWATER LICENSING LICENSE WQ0001332000

STORMWATER PERMIT TXR05BF72

AIR OPERATING PERMITS PERMIT 1832

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 85567

WASTEWATER EPA ID TX0007706

AIR NEW SOURCE PERMITS ACCOUNT NUMBER CI0170H

AIR NEW SOURCE PERMITS REGISTRATION 77717

AIR NEW SOURCE PERMITS REGISTRATION 112390

PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 0360040

AIR EMISSIONS INVENTORY ACCOUNT NUMBER CI0170H

Compliance History Period: September 01, 2009 to August 31, 2014

Rating Year: 2014

Rating Date: 09/01/2014

Date Compliance History Report Prepared: September 30, 2014

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: September 30, 2009 to September 30, 2014

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: David Carney

Phone: (512) 239-2583

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

N/A

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	November 12, 2009	(805087)
Item 2	December 23, 2009	(805088)
Item 3	January 21, 2010	(788100)
Item 4	February 22, 2010	(805080)
Item 5	March 22, 2010	(831038)
Item 6	March 29, 2010	(831039)
Item 7	April 05, 2010	(860908)
Item 8	May 25, 2010	(831040)
Item 9	June 17, 2010	(846319)
Item 10	July 22, 2010	(800872)
Item 11	July 29, 2010	(803140)
Item 12	August 12, 2010	(866884)
Item 13	September 15, 2010	(873954)
Item 14	October 28, 2010	(881551)
Item 15	November 01, 2010	(844160)
Item 16	November 15, 2010	(829487)
Item 17	November 22, 2010	(842919)
Item 18	November 29, 2010	(888073)
Item 19	December 09, 2010	(843546)
Item 20	January 06, 2011	(870246)
Item 21	January 10, 2011	(896296)
Item 22	February 14, 2011	(909139)
Item 23	February 22, 2011	(893036)
Item 24	April 15, 2011	(924906)
Item 25	May 13, 2011	(938076)
Item 26	July 07, 2011	(945448)
Item 27	July 28, 2011	(952672)
Item 28	August 15, 2011	(959359)
Item 29	September 16, 2011	(971430)
Item 30	October 17, 2011	(971431)
Item 31	December 31, 2011	(998018)
Item 32	January 20, 2012	(990653)
Item 33	February 21, 2012	(998017)
Item 34	April 11, 2012	(1010109)
Item 35	May 15, 2012	(1016499)
Item 36	June 12, 2012	(1024222)
Item 37	July 09, 2012	(1031614)
Item 38	August 17, 2012	(1037991)
Item 39	September 18, 2012	(1046728)
Item 40	October 08, 2012	(1061044)
Item 41	November 14, 2012	(1061045)
Item 42	December 10, 2012	(1061046)
Item 43	January 08, 2013	(1079069)
Item 44	February 11, 2013	(1079068)
Item 45	March 07, 2013	(1089358)
Item 46	April 05, 2013	(1095751)
Item 47	May 08, 2013	(1106676)
Item 48	May 28, 2013	(1117235)
Item 49	June 10, 2013	(1110350)
Item 50	August 13, 2013	(1124993)
Item 51	September 03, 2013	(1106476)
Item 52	September 09, 2013	(1129590)
Item 53	October 08, 2013	(1135322)
Item 54	November 12, 2013	(1140720)
Item 55	December 13, 2013	(1147179)
Item 56	January 08, 2014	(1153248)
Item 57	February 11, 2014	(1160583)
Item 58	March 06, 2014	(1167228)
Item 59	April 15, 2014	(1174361)

Pending Compliance History Report for CN603269366, RN100217421, Rating Year 2014 which includes Compliance History (CH) components from September 30, 2009, through September 30, 2014.

Item 60	May 12, 2014	(1180549)
Item 61	June 12, 2014	(1187447)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	08/27/2014	(1165036)	CN603269366
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 117, SubChapter B 117.354(a) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Special Term & Condition 12C OP		
	Description:	Failure to provide a Final Control Plan (Category B3)		
	Self Report?	NO		Classification: Minor
	Citation:	30 TAC Chapter 117, SubChapter B 117.345(f)(10) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Special Term & Condition 1A OP		
	Description:	Failure to maintain complete operating records for Emergency Pump 1 (Category C3)		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 117, SubChapter B 117.340(a) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Special Term & Condition 1A OP		
	Description:	Failure to conduct required monitoring of fuel flow (Category B1)		

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
JSW STEEL (USA) INC.
RN100217421**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2014-1488-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding JSW Steel (USA) Inc. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent, represented by Mr. Christopher Smith of the law firm of Thompson & Knight, together stipulate that:

1. The Respondent owns and operates a steel finishing plant located at 5200 East McKinney Road in Baytown, Chambers County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about September 1, 2014.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Eight Thousand Nine Hundred Twenty-Five Dollars (\$8,925) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Three Thousand Five hundred

Seventy Dollars (\$3,570) of the administrative penalty and One Thousand Seven Hundred Eighty-Five Dollars (\$1,785) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Three Thousand Five hundred Seventy Dollars (\$3,570) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have failed to comply with permitted concentration limits, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c), 117.310(c)(1)(A), and 122.143(4), Federal Operating Permit No. 01832, Special Terms and Conditions Nos. 1.A. and 7, New Source Review Permit No. 77214, Special Conditions No. 3, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on July 8, 2014. Specifically, the Continuous Reheat Furnace No. 1, Emissions Point Number ("EPN") FURNSTK1, exceeded the carbon monoxide ("CO") hourly concentration limit of 50 parts per million by volume ("ppmv") on August 2 and November 18, 2013 for a total of two hours; and the Continuous Reheat Furnace No. 2, EPN FURNSTK2, exceeded the CO hourly concentration limit of 50 ppmv on April 11, July 23, and November 5, 2013 for a total of 20 hours.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: JSW Steel (USA) Inc., Docket No. 2014-1488-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Three Thousand Five hundred Seventy Dollars (\$3,570) of the assessed administrative penalty shall be offset with the condition that the SEP defined in Attachment A, incorporated herein by reference, is implemented by the Respondent. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, submit an administratively complete permit amendment or permit alteration in accordance with 30 TEX. ADMIN. CODE § 116.116 to:

Air Permits Division, MC 163
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

- b. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit amendment or permit alteration within 30 days after the date of such requests, or by any other deadline specified in writing;
 - c. Within 45 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 3.d. below to demonstrate compliance with Ordering Provision No. 3.a.; and
 - d. Within 180 days after the effective date of this Agreed Order, submit written certification that either the permit amendment or permit alteration has been obtained or that operation has ceased until such time that the appropriate permit amendment or permit alteration is obtained. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

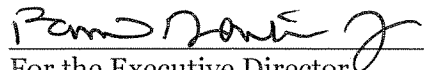
4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

8. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

3/25/15


Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.



Signature

January 16, 2015

Date

MICHAEL J. FITCH

Name (Printed or typed)
Authorized Representative of
JSW Steel (USA) Inc.

PRESIDENT & CEO

Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2014-1488-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	JSW Steel (USA) Inc.
Penalty Amount:	Seven Thousand One Hundred Forty Dollars (\$7,140)
SEP Offset Amount:	Three Thousand Five Hundred Seventy Dollars (\$3,570)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Barber's Hill Independent School District
Project Name:	<i>Alternative Fuel School Bus Replacement</i>
Location of SEP:	Chambers County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to **Barber's Hill Independent School District** ("Barber's Hill ISD") for the *Alternative Fuel School Bus Replacement* program. The contribution will be used in accordance with the SEP Agreement between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount shall be used to reduce carbon monoxide ("CO"), nitrogen oxides ("NO_x"), particulate matter ("PM"), and volatile organic compounds ("VOCs") emissions by replacing older school buses with new propane-fueled buses. The Third-Party Administrator shall ensure that each replacement bus purchased has an engine that meets 2010 EPA Standards. The Third-Party Administrator has invested in propane fueling infrastructure to support the operation of new propane-fueled buses. The Third-Party Administrator shall give preference to replacing the oldest, most polluting buses currently in use. Only older buses that are currently in regular use, driven on a regular route on a weekly basis for at least the past two years are eligible for replacement. The SEP Offset Amount will only be used for the purchase of a base model propane-fueled Replacement Bus. The Third-Party Administrator shall own and operate each Replacement Bus for at least five (5) years following the date of purchase. The SEP will be performed in accordance with all federal, state, and local environmental laws and regulations.

JSW Steel (USA) Inc.
Agreed Order - Attachment A

All dollars contributed will be used for the direct cost of implementing the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not able to be spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a new 2010 ultra-low emission model, passengers' exposures to NO_x may be reduced by 98 percent; VOCs by 93 percent; CO by 83 percent; and PM by 99 percent.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Barber's Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

John Johnson, Consultant
Carl R. Griffith & Associates, Inc.
2901 Turtle Creek Drive, Suite 445
Port Arthur, Texas 77642

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

JSW Steel (USA) Inc.
Agreed Order - Attachment A

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

JSW Steel (USA) Inc.
Agreed Order - Attachment A

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.